Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 BUENOS 06187 01 OF 02 092236Z
ACTION OES-09

INFO OCT-01 ARA-10 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 6924
INFO AMEMBASSY VIENNA
USCINCSO QUARRY HTS CZ//SCJ2-AD//
USICA WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 6187

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E.O. 11652: GDS
TAGS: MNUC, PARM, ENRG, TECH, SHUM, AR

REF: (A) BUENOS AIRES 6094 (B) BUENOS AIRES 6022

1. SUMMARY: WESTINGHOUSE REPRESENTATIVES MET WITH CNEA POWER PROJECT DIRECTOR JORGE COSENTINO TO FEEL OUT INTEREST IN LIGHT WATER REACTOR LINE. COSENTINO WAS DISTURBED ABOUT RECENT US HUMAN RIGHTS POLICIES AND FELT THE US WAS DISCRIMINATING AGAINST ARGENTINA IN THE NUCLEAR TECHNOLOGY FIELD. IN REGARD TO POWER REACTORS, CNEA IS INCLINED TO FOLLOW NATURAL URANIUM HEAVY WATER REACTOR LINE SINCE THIS SEEMS MOST EFFECTIVE WAY TO REACH AN INDEPENDENT NUCLEAR PROGRAM BY THE 1990'S. HOWEVER, CNEA HAS NOT ENTIRELY RULED OUT LWR LINE IN FUTURE. CNEA IS NOT SATISFIED WITH CANDU REACTOR COOPERATION WITH CANADA AND HAS NOT
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PAGE 02 BUENOS 06187 01 OF 02 092236Z

REVIEWED COMPLETELY THE GERMAN KWU FEASIBILITY STUDY FOR 600 MW REACTOR. COSENTINO FEELS HEAVY WATER PRODUCTION TECHNOLOGY IS PRINCIPAL PROBLEM AND FEELS US HAS COMMITMENT TO ARGENTINA TO FURNISH THIS TECHNOLOGY FOLLOWING RATIFICATION OF TLATELOLCO AND INTENTION TO ACCEPT FULL-SCOPE SAFEGUARDS. COSENTINO EMPHASIZED ARGENTINA WAS FRIEND OF US AND WANTED

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CONTINUED NUCLEAR COOPERATION BUT BILATERAL RELATIONS
COULD HAVE A NEGATIVE IMPACT. END SUMMARY.

2. TWO REPRESENTATIVES FROM WESTINGHOUSE ELECTRIC
COR., DR. LAWRENCE DROUTMAN AND MR. WALTER ENRIGHT
VISITED BUENOS AIRES LAST WEEK AND MET WITH ING. JORGE
COSENTINO, DIRECTOR OF THE CNEA POWER PROGRAM. THE
WESTINGHOUSE REPRESENTATIVES WERE FEELING OUT CNEA ON
POSSIBLE ARGENTINE INTEREST IN THE LIGHT LIGHT WATER REACTOR
LINE FOR THEIR ELECTRIC POWER PROGRAM IN THE FUTURE.
ACCORDING TO ENRIGHT, THE WESTINGHOUSE REPRESENTATIVES
HAVE KNWON COSENTINO FOR YEARS AND DISCUSSIONS WERE
RATHER CANDID.

3. THE MEETING WAS NOT VERY SUCCESSFUL. COSENTINO
WAS UNUSUALLY DISTURBED ABOUT RECENT US HUMAN RIGHTS
POLICIES AND SANCTIONS AGAINST ARGENTINA. HE SAID THAT
MANY CNEA OFFICIALS, INCLUDING HIMSELF, HAVE ALWAYS
HAD CLOSE AND FOND RELATIONSHIPS WITH THE US, AND
IN FACT, MOST WERE TRAINED IN US UNIVERSITIES AND
NUCLEAR INSTALLATIONS. HE WAS ALSO DISTURBED ABOUT
US DISCRIMINATORY NUCLEAR POLICIES THAT PERTAIN TO
COUNTRIES THAT HAVE NOT SIGNED THE NPT AND WHERE
THE DAY BY DAY POLITICAL MACHINATIONS OF BOTH COUNTRIES
MAY INTERFERE WITH NUCLEAR COOPERATION. HE MENTIONED
INDIA AS AN EXAMPLE. COSENTINO INDICATED THAT
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PAGE 03 BUENOS 06187 01 OF 02 092236Z

ARGENTINA EVENTUALLY WANTED TO BE INDEPENDENT IN ITS
NUCLEAR POWER PROGRAM; AND WITH THE LWR LINE, THEY WOULD
ALWAYS BE UNDER THE POLITICAL WHIMS OF THE US OR OTHER
COUNTRIES FOR ENRICHMENT PROCESSES. COSENTINO ADMITTED
THAT CNEA WAS NOT ALL HAPPY WITH THE PROGRESS OF
THE RIO TERCERO CANDU OPERATION WITH ATOMIC ENERGY OF
CANADA, LTD., PARTICULARLY BECAUSE OF THE INCREASED
COST, ARGUMENTS OVER SAFEGUARD AGREEMENTS, AND CANADA'S
RELUCTANCE TO FURNISH PROMISED REACTOR TECHNOLOGY. HE
INDICATED HE HAS NOT HAD THE OPPORTUNITY TO REVIEW
THE GERMAN KWU FEASIBILITY STUDY FOR A 600 MW REACTOR
FOR ATUCHA II, BUT FELT THE GERMAN DEAL WOULD INCLUDE
MORE TECHNOLOGY TRANSFER. HOWEVER, HE SAID THE LWR
WAS MORE EFFICIENT, AND COULD NOT BE RULED OUT AS A
POSSIBILITY IN THE FUTURE.

4. ACCORDING TO COSENTINO, ARGENTINA HAD DECIDED IN
1969 TO DEVELOP HER NUCLEAR POWER PROGRAM USING
INDIGENOUS SOURCES OF NATURAL URANIUM WITH A HEAVY
WATER REACTOR LINE. IN SEVERAL CNEA NUCLEAR POWER
REVIEWS SINCE THAT TIME IT HAD BEEN DECIDED THAT
THIS WOULD BE THE MOST EFFECTIVE POLICY FOR EVENTUAL

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

INDEPENDENCE. WHEN QUESTIONED BY THE WESTINGHOUSE
REPRESENTATIVES AS TO WHERE ARGENTINA WOULD ACQUIRE
HEAVY WATER IN THE FUTURE, SINCE THIS WOULD ALSO LEAVE
THEM DEPENDENT ON A VERY LIMITED NUMBER OF COUNTRIES,
SUCH AS THE US, CANADA, AND USSR, COSENTINO RESPONDED
THAT HEAVY WATER TECHNOLOGY WAS A COMMITMENT MADE BY
THE US IN EXCHANGE FOR ARGENTINA'S RATIFICATION OF
TLATELOLCO AND FULL-SCOPE SAFEGUARDS. HE STATED THAT
ARGENTINA COULD DEVELOP HER OWN 200 TON PLANT IN 5 OR
6 YEARS IF THE DECISION WAS MADE TO CHANNEL THE FUNDS
AND MANPOWER IN THIS DIRECTION. HE FELT THIS WAS
A WASTE OF MONEY AND EFFORT AND WAS NOT YET CONTEMPLATED.
HOWEVER, A SMALL PLANT TO MANUFACTURE 2 TONS OF HEAVY
WATER A YEAR WOULD BE ESTABLISHED AT ATUCHA BY 1980
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PAGE 04 BUENOS 06187 01 OF 02 092236Z

TO HANDLE THE WASTAGE AND EVAPORATION FROM THE
ATUCHA I AND RIO TERCERO PLANTS. (CANADA WILL PROVIDE
THE FIRST CHARGE OF ABOUT 400 TONS OF HEAVY WATER FOR
THE CANDU AT RIO TERCERO.)

5. WHEN QUESTIONED ABOUT SAFEGUARDS, COSENTINO SAID
ALL ARGENTINA'S NUCLEAR FACILITIES ARE COVERED NOW BY
SAFEGUARDS AND WILL BE IN THE FUTURE REGARDLESS OF
WHAT REACTOR LINE IS PROVIDED BY OTHER COUNTRIES.
DR. DROUTMAN MENTIONED REPROCESSING AND COSENTINO

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PAGE 01 BUENOS 06187 02 OF 02 092250Z
ACTION OES-09

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SS-15 ACDA-12 IO-13 EB-08 NRC-05 SOE-02 DOE-15
CEQ-01 SAS-02 XMB-02 HA-05 /139 W
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R 091900Z AUG 78
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 6925
INFO AMEMBASSY VIENNA
USCINCSO QUARRY HTS CZ//SCJ2-AD//

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 6187

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STATED CNEA HAS ONLY EXPERIMENTED WITH REPROCESSING
IN THE PAST AND HAS ONLY SEPARATED A FEW GRAINS OF PLUTONIUM
UNDER LABORATORY CONDITIONS. HE DID NOT ELABORATE ANY FURTHER.

6. ACCORDING TO ENRIGHT, THE REMARKS MADE BY COSENTINO
AT THE MEETING RELATING TO US NUCLEAR POLICY AND
SANCTIONS AGAINST ARGENTINA WERE MADE MORE OUT OF
FRUSTRATION AND CONFUSION OVER US POLICY THAN OUT OF ANGER.

7. COMMENTS: ING. COSENTINO HAS ALWAYS BEEN A CLOSE
FRIEND OF THE US AND HAS CONTINUOUSLY BEEN
EXTREMELY CANDID IN HIS REMARKS TO EMBASSY OFFICERS.
THIS LATEST MEETING WITH THE WESTINGHOUSE REPRESENTATIVES
SEEMS TO FOLLOW THE RECENT CONCERN BY OTHER
CNEA HIGH OFFICIALS (REFTEL B) THAT THE US HUMAN
RIGHTS POLICY AND THE EXIM BANK DECISION COULD HAVE
AN IMPACT ON US/ARGENTINA NUCLEAR COOPERATION. IT
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PAGE 02 BUENOS 06187 02 OF 02 092250Z

IS ALSO APPARENT THAT COSENTINO FEELS STRONGLY ABOUT
THE HEAVY WATER TECHNOLOGY ISSUE SINCE THIS IS THE
PRINCIPLE HINDRANCE TO ARGENTINA'S PLAN FOR AN
INDEPENDENT NUCLEAR POWER PROGRAM BY THE 1990'S.
THE FACT THAT HE DID NOT ENTIRELY RULE OUT A LWR LINE
FOR THE FUTURE IS INTERESTING.

--COSENTINO IS SCHEDULED TO TRAVEL TO THE US
AROUND AUG. 20 FOR ABOUT TWO WEEKS ON A IV GRANT. HE
PLANS PRIMARILY TO VISIT DOE IN WASHINGTON AND THE
UNITED ENGINEERING COMPANY IN PHILADELPHIA TO DISCUSS
THE ECONOMIC EVALUATION MADE BY UEC OF THE PRESSURE
WATER REACTOR AND THE CANDU REACTOR. THE STUDY EVIDENTLY
REVEALS THAT THE CANDU WOULD NOT BE APPROVED FOR
CONSTRUCTION IN THE US FOR SAFETY REASONS. EMBASSY
SUGGESTS DR. JOSEPH NY, LOU NOSENZO, AND OTHER
MAY WANT TO MEET WITH COSENTINO DURING HIS VISIT TO
WASHINGTON TO DISCUSS US/ARGENTINE NUCLEAR RELATIONS.

--IN RELATION TO THE ABOVE REMARKS ABOUT HEAVY
WATER, THE SCICOUNS WAS TOLD BY A CLOSE NUCLEAR
SOURCE THAT ALBERTO CASSANO, DIRECTOR OF THE
INSTITUTE FOR THE DEVELOPMENT OF INDUSTRIAL CHEMISTRY

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

IN SANTA FE, AND CNEA'S TOP SCIENTIST IN THE HEAVY WATER RESEARCH PROGRAM, WAS GOING TO WASHINGTON TO DISCUSS A $60 MILLION LOAN FROM THE INTERAMERICAN DEVELOPMENT BANK FOR THE INTIAL DEVELOPMENT PLAN FOR A HEAVY WATER PRODUCTION PLANT IN NEUQUEN.
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